November 8, 2001

Mr. Gregg R. Overbeck Senior Vice President, Nuclear Arizona Public Service Company P. O. Box 52034 Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNIT 3 - LEAD FUEL ASSEMBLY EXEMPTION CLARIFICATION (TAC NO. MB1343)

Dear Mr. Overbeck:

The Nuclear Regulatory Commission approved an exemption allowing the continued testing of a lead fuel assembly (LFA) on October 16, 2001. You identified a statement in the associated safety evaluation (SE) that you believe required some clarification. The statement referred to the performance of various types of inspections during the poolside examinations.

On October 18, 2001, a discussion was conducted with Mr. J. S. Wermiel, Reactor System Branch Chief, regarding your concern. Mr. Wermiel stated the listing of poolside examinations listed in the SE was not intended to specify the types of examinations required, only to describe typical examinations performed for verification of LFA characteristics.

If you any further questions regarding this matter, please contact me at (301) 415-1396.

Sincerely,

/RA/

L. Raynard Wharton, Project Manager, Section 2 Project Directorate IV Division of Licensing Project Management Office of Nuclear Reactor Regulation

Docket No. STN 50-530

cc: See next page

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Office of Nuclear Reactor Regulation

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*See previous concurrence

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Palo Verde Generating Station, Units 1, 2, and 3

CC:

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